

# House Study Bill 63 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON SANDS)

## A BILL FOR

1 An Act relating to the Iowa educational savings plan trust by  
2 modifying the deduction of contributions from the individual  
3 income tax and including retroactive applicability  
4 provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:



1 Section 1. Section 422.7, subsection 32, paragraph a, Code  
2 2015, is amended to read as follows:

3 a. Subtract the maximum contribution that may be deducted  
4 for Iowa income tax purposes as a participant in the Iowa  
5 educational savings plan trust pursuant to section 12D.3,  
6 subsection 1, paragraph "a". For purposes of this paragraph,  
7 a participant who makes a contribution on or before the  
8 date prescribed in section 422.21 for making and filing an  
9 individual income tax return, excluding extensions, may elect  
10 to be deemed to have made the contribution on the last day of  
11 the preceding calendar year. The director, after consultation  
12 with the treasurer of state, shall prescribe by rule the  
13 manner and method by which a participant may make an election  
14 authorized by the preceding sentence.

15 Sec. 2. RETROACTIVE APPLICABILITY. This Act applies  
16 retroactively to January 1, 2015, for tax years beginning on  
17 or after that date.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with  
20 the explanation's substance by the members of the general assembly.

21 This bill relates to the Iowa educational savings plan  
22 trust, also known as the Iowa college savings 529 plan.

23 The bill amends the tax year for which a contribution to  
24 the trust may be deducted for Iowa income tax purposes. Under  
25 current law, a contribution to the trust must be made during  
26 the calendar year in order to be deductible for Iowa income  
27 tax purposes for that tax year. The bill allows a participant  
28 who makes a contribution to the trust on or before the Iowa  
29 income tax return filing deadline (April 30 for calendar year  
30 tax filers), excluding extensions, to elect to have that  
31 contribution treated as though it was made on the last day of  
32 the preceding calendar year, thereby allowing the participant  
33 to claim the income tax deduction for the most recently  
34 completed tax year. The bill requires the director of revenue,  
35 after consultation with the treasurer of state, to prescribe by



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1 rule the manner and method by which a participant may make this  
2 election. The bill applies retroactively to January 1, 2015,  
3 for tax years beginning on or after that date.